



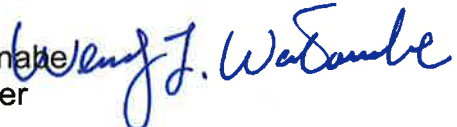
**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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WENDY L. WATANABE
AUDITOR-CONTROLLER

August 5, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe 
Auditor-Controller

SUBJECT: **COMPREHENSIVE COMMUNITY SERVICES OF SOUTH BAY, INC. – A
COMMUNITY AND SENIOR SERVICES' WORKFORCE INVESTMENT
ACT PROGRAM CONTRACT SERVICE PROVIDER – CONTRACT
COMPLIANCE REVIEW – FISCAL YEAR 2012-13**

We completed a review of Comprehensive Community Services of South Bay, Inc. (CCS or Agency), a Community and Senior Services' (CSS) Workforce Investment Act (WIA) Program provider for Fiscal Year (FY) 2012-13. The purpose of our review was to determine whether CCS provided services in compliance with their County contract and WIA requirements.

The WIA Youth Program is a comprehensive training and employment program for in-school and out-of-school youth ages 14 to 21 years. CSS compensates CCS on a cost-reimbursement basis and their contract for FY 2012-13 is for \$204,778. CCS serves participants residing in the Second Supervisorial District.

Results of Review

CCS provided the required services to eligible participants. However, CCS billed CSS \$57,292 in expenditures from July to December 2012 that were not recorded in CCS' general ledger. After our review, the Agency began reconciling each invoice to their general ledger monthly to ensure that all expenditures are recorded.

Subsequent to our review, CCS provided an updated general ledger to support the \$57,292 in expenditures billed to CSS.

In addition, CCS billed the County for \$1,791 in expenditures not included in their approved County contract budget, and did not accurately report their monthly expenditure accruals.

The Agency's attached response indicates that their management attended the technical support training provided by CSS, and will ensure accruals are reported correctly in the future.

Details of our review, along with recommendations for corrective action, are attached.

Review of Report

We discussed our report with CCS and CSS. In CCS' attached response, they indicated that they concurred with our findings and recommendations. CSS management indicated that they will ensure the recommendations are implemented.

We thank CCS management and staff for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:AB:DC:EB

Attachment

c: William T Fujioka, Chief Executive Officer
Cynthia D. Banks, Director, Community and Senior Services
Shirley Allen, Executive Director, CCS
Lestean Johnson, Chairperson, CCS
Public Information Office
Audit Committee

**COMPREHENSIVE COMMUNITY SERVICES OF SOUTH BAY, INC.
WORKFORCE INVESTMENT ACT PROGRAM
CONTRACT COMPLIANCE REVIEW
FISCAL YEAR 2012-13**

ELIGIBILITY

Objective

Determine whether Comprehensive Community Services of South Bay, Inc. (CCS or Agency) provided services to eligible individuals for the Workforce Investment Act (WIA) Youth Program.

Verification

We reviewed the case files for five (17%) of the 29 participants, who received services from July 2012 to January 2013 for documentation to confirm their eligibility for WIA services.

Results

CCS had documentation to support the eligibility for all five participants reviewed.

Recommendation

None.

BILLED SERVICES

Objective

Determine whether the Agency provided services in accordance with the County contract and WIA guidelines.

Verification

We reviewed the case files of five (17%) of the 29 participants who received services from July 2012 to January 2013.

Results

CCS did not accurately report participant activities, such as co-enrolled services, on the Job Training Automation (JTA) System as required by WIA Directive LACOD 12-33 for one (20%) of the five participants reviewed. The State of California Employment Development Department (EDD) and the United States Department of Labor use the

JTA System to track WIA participant activities. After our review, CCS updated the JTA System to accurately reflect the participant's activities.

Recommendation

1. CCS management ensure staff update the Job Training Automation System to accurately reflect participant activities.

CASH/REVENUE**Objective**

Determine whether the Agency deposited cash receipts timely, and recorded revenue in the Agency's financial records properly.

Verification

We interviewed Agency personnel and reviewed the Agency's financial records. We also reviewed the Agency's bank activity for November and December 2012.

Results

CCS deposited cash receipts timely and recorded revenue properly.

Recommendation

None.

COST ALLOCATION PLAN**Objective**

Determine whether CCS prepared its Cost Allocation Plan (Plan) in compliance with the County contract, and used the Plan to allocate shared expenditures appropriately.

Verification

We reviewed CCS' Plan. However, we did not review any shared expenditures because CCS did not allocate any expenditures.

Results

CCS prepared its Plan in compliance with the County contract.

Recommendation

None.

EXPENDITURES**Objective**

Determine whether the expenditures charged to the WIA Youth Program were allowable under the County contract, documented properly, and billed accurately.

Verification

We interviewed Agency personnel, and reviewed the Agency's financial records and documentation for five non-payroll expenditure transactions, billed by the Agency in December 2012, totaling \$3,977.

Results

During our review of CCS' financial records, we noted that CCS' general ledger did not include \$57,292 in billings from July to December 2012. After our review, the Agency began reconciling each invoice to their general ledger monthly to ensure that all expenditures are recorded. In addition, CCS provided program general ledger to support \$57,292 of expenditures billed to Community and Senior Services (CSS). We noted a similar finding in our prior monitoring review of the Agency.

In addition, CCS billed the County for \$1,791 in expenditures not included in their approved County contract budget, and did not maintain documentation to support an expenditure for \$240.

Recommendations**CCS management:**

- 2. Ensure expenditures are recorded in their financial records.**
- 3. Repay CSS \$1,791 for the expenditures that were not included in the approved County contract budget or provide an approved contract budget modification.**
- 4. Repay CSS \$240 or provide support for the expenditure.**
- 5. Maintain adequate documentation to support their expenditures.**

ADMINISTRATIVE CONTROLS/CONTRACT COMPLIANCE**Objective**

Determine whether the Agency had adequate internal controls over its business operations. In addition, determine whether the Agency was in compliance with WIA and administrative requirements.

Verification

We interviewed Agency personnel, reviewed their policies and procedures manuals, conducted an on-site visit, and reviewed their reported monthly accruals.

Results

CCS generally maintained sufficient internal controls over its business operations. However, CCS did not accurately report their monthly expenditure accruals as required by WIA Directive WIAD10-05. Specifically, CCS incorrectly reported their monthly expenditures as an accrual. We noted a similar finding in our prior monitoring review of the Agency.

Recommendation

- 6. CCS management ensure monthly expenditure accruals are accurately reported on their CSS invoices.**

PAYROLL AND PERSONNEL**Objective**

Determine whether payroll expenditures were charged to the WIA Youth Program appropriately. In addition, determine whether the Agency obtained background clearances, verified employability, maintained proof of current driver's licenses, and maintained proof of automobile insurance for new employees assigned to the WIA Youth Program.

Verification

We traced the WIA payroll expenditures for five employees and five participants, totaling \$10,124, for December 2012, to the Agency's payroll records and time reports. We also reviewed the personnel files for three new employees assigned to the WIA Program.

Results

CCS generally charged payroll expenditures to the WIA Youth Program appropriately and maintained the personnel files as required.

Recommendation

None.

CLOSE-OUT REVIEW

Objective

Determine whether the Agency's Fiscal Year (FY) 2011-12 final close-out invoice for the WIA Youth Program reconciled to the Agency's financial records.

Verification

We traced CCS' final close-out invoice for FY 2011-12 to the Agency's financial records. We also reviewed a sample of expenditures incurred in May 2012.

Results

CCS' FY 2011-12 final close-out invoice reconciled to the Agency's financial records.

Recommendation

None.



Communities In Schools Of South Bay, Inc. (CIS)
(a.k.a. Comprehensive Community Services)
17625 S. Central Ave. * Suite E * Carson, CA 90746
(310) 637-7422 Direct Line * 310-638-2965 FAX
www.ccssouthbay.org

April 17, 2013

Wendy L. Watanabe, Auditor-Controller
Department of Auditor-Controller
Countywide Contract Monitoring Division
350 S. Figueroa Street, 8th Floor
Los Angeles, CA 90071
Attention: Iscah Wang

Subject: Workforce Investment Act (WIA) FY 2012-13 Audit Response Corrective Action Plan

Below you will find CCS's response to the fiscal and administrative contact compliance review completed for Fiscal Year 2012-2013 WIA Formula Youth Program.

Billed Services

RECOMMENDATION #1

CCS management ensure staff update the Job Training Automation System to accurately reflect participant activities.

Response/Corrective Action:

We agree with this finding. We have since trained additional staff members on the JTA Systems to that we can meet all appropriate deadlines in the future.

Expenditures

RECOMMENDATIONS #2 – 6

CCS billed CSS \$57,292 in unsupported and/or unallowable expenditures from July through December 2012. Repay CSS \$55,501 or provide adequate documentation to support the expenditures.

Response/Corrective Action:

We agree with this finding. At the time of the review, CCS had billed a total of \$57,292, but had not expended the complete amount on expenditures. Since that time, we have corrected

this issue. Attached you will find the most recent invoice and general ledger thru April 30, 2013. All expenditures and cost have been accounted for.

In the future, we will have each invoice and general ledger reconciled monthly by both the Accounting Clerk and the Executive Director - to ensure that funds are expended in the month in which the expenditure was incurred. Both will be required to initial the General Ledger before moving forward to ensure compliance.

As of April 30, 2013 - the expenditures and expenses are as follows per both the GL and CSS Invoice:

- Total amount billed thru May 2013 = \$180,770.00
- Total amount of expenditures per the GL thru May 2013 = \$181,007.00

RECOMMENDATION #7

CCS management ensures monthly expenditure accruals are accurately reported on their CSS invoices.

Response/Corrective Action:

CCS management attended technical support training with CCS earlier this year and we now understand how to correctly report accruals accurately. We will ensure that accruals are reported correctly from this point on to prevent from having this type of finding again in the future.

If there are any other questions, please do not hesitate to contact me at the above telephone number.

Sincerely,



Artricia Woods

Director of Operations

cc. Shirley Allen, Executive Director

Comprehensive Community Services, Inc.
WIA Traditional FY2012-2013 General Ledger
July 2012 through May 2013

	WIA-I	WIA-O	TOTAL
Ordinary Income/Expense			
Income			
Grant Income	91,025.00	89,745.00	180,770.00
Total Income	91,025.00	89,745.00	180,770.00
Expense			
Program Cost			
Audit	1,075.00	1,075.00	2,150.00
Computer Hardware/Software	289.83	302.16	591.99
Facility Cost-Rent	9,726.60	10,273.25	19,999.85
Incentive Awards/Recognitions	200.00	1,100.00	1,300.00
Insurance	4,436.92	4,614.92	9,251.84
Participant Fringe Benefits	2,261.47	1,300.24	3,561.71
Participant Wages	15,766.00	8,236.00	24,002.00
Professional/Contract Srv.	1,358.03	1,182.57	2,520.60
Staff Fringe Benefits	9,482.05	10,043.03	19,525.08
Staff Salaries	44,815.39	47,297.14	92,112.53
Supplies	1,394.74	1,468.75	2,863.49
Utilities	1,526.47	1,597.44	3,123.91
Total Program Cost	92,336.50	88,670.50	181,007.00
Total Expense	92,336.50	88,670.50	181,007.00
Net Ordinary Income	-1,311.50	1,074.50	-237.00
Net Income	-1,311.50	1,074.50	-237.00

COUNTY OF LOS ANGELES COMMUNITY AND SENIOR SERVICES
YOUTH (YTH) CASH REQUEST FORM (CASH)

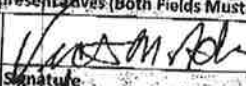

Submit electronically via e-mail to FMDFinancialReports@css.lacounty.gov.
DO NOT LEAVE ANY FIELD BLANK; ALL FIELDS MUST BE COMPLETED PRIOR TO PROCESSING.
Must be printed, completed and scanned into a single, Adobe Acrobat PDF document.

Agency:	Comprehensive Community Services of South Bay, Inc.				
Address:	17625 S. Central Ave. Suite-E Carson, CA 90746				
Contract Number:	Y080903	Program:	WIA Youth Formula		
Date of Request: (mm/dd/yy)	5/2/2013	Fiscal Year: FY(yyyy-yy)	July 1, 2012 - June 30, 2012		
Report Period: (Month)	March 21, 2013 - May 04, 2013	Request Number:	18		
		(A)	(B)	(A+B)	
Program	Budget Allocation	Prior YTD Cash Requested	Current Cash Request	Total YTD Cash Requested	Total YTD Cash Disbursed
Youth Program	\$180,939	\$180,470	\$300	\$180,770.00	\$174,720.00

* Cash requests for needs beyond four (4) business days are not allowed. Upon receipt of funds, full disbursement must be made within three (3) business days. All excess cash must be returned to or recouped by CSS IMMEDIATELY after this period. Minimally, one (1) Cash Request Form must be submitted each month.

In accordance with the fiscal provisions outlined in the contract, this request for cash is provided for the amounts indicated above. We understand that all information on this form must be complete and that CSS Financial Management Division must receive the cash request with all necessary approvals. I hereby certify that I am a duly appointed representative of the above named subgrant recipient and that, to the best of my knowledge, the above request represents our best estimate, is in accordance with the current provisions, and does not violate Federal and State policy of not maintaining more cash than is necessary to meet our immediate needs at anytime.

Authorized Contractor Representatives (Both Fields Must Be Fully Completed, Signed and Dated)

Victoria Adams		5/2/2013	adamscis@aol.com	310-637-7422
Print First and Last Name	Signature	Date	E-mail	Phone
Artricia Woods		5/2/2013	artricia123@gmail.com	310-637-742
Name (Financial Officer)	Signature (Financial Officer)	Date	E-mail	Phone

CSS STAFF USE ONLY			
FMD Review:	Date:	FMD Approval:	Date:
Amount Paid:		Encumbrance Number:	